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OREGON STATISTICAL REVIEW, AUGUST 1959

(For details see pp. 5-6)

• **Lumber production** in the Douglas fir region of the Pacific Northwest in August was slightly lower than average weekly production in August 1958. Production showed the usual seasonal rebound from July lows by rising 9 per cent above the previous month's average. New orders fell 9 per cent below August 1958 levels and 5 per cent lower than the average orders received in July 1959. At the end of August unfilled orders were 13 per cent below the level of one year earlier. The lumber inventory was 11.5 per cent lower than in August 1958.

• **The value of building permits** issued in Oregon during August rose 14.3 above August 1958 but was 14 per cent lower than the total for July 1959. New nonresidential building in Salem and an improvement in residential building in many sections of the state account for the year-to-year increase.

• **Bank debits** in Oregon during August were 14.5 per cent above the state total in August 1958, but the current total was 1.4 per cent below the figures for July 1959. All areas except one showed year-to-year increases with the west central Oregon area showing the highest gain of 21 per cent.

• **Employment** in nonagricultural industry during August maintained its upward trend with a 4.7 per cent rise above year-earlier levels. Especially sharp increases were shown by the contract construction and the "other manufacturing" sectors that posted gains of 18.4 per cent and 10 per cent, respectively. While overall totals showed a month-to-month rise of only 1.9 per cent over July 1959 totals, the food and kindred products group had a seasonal rise of 20 per cent.

• **The index of man hours** in manufacturing (1951=100) rose to 106.8 in August 1959. This may be compared with a standing of 97.3 in August 1958 and 100.2 in July 1959.

• **The average weekly earnings** of production workers in nonagricultural industry in Oregon rose to $97.74 in August 1959 from the $96.44 average of July 1959. The current figure was also well above the August 1958 average of $93.46.

• **Business failures** in Oregon during August 1959 totaled 56 and involved liabilities of $1,015,000. In August 1958 there were 51 failures with liabilities of $1,100,000. Eight-month cumulative totals for 1959 were 321 failures with liabilities of $6,447,000 and for 1958, 366 failures with liabilities of $8,379,000.

• **Construction contracts** awarded in Oregon in July 1959 were 7 per cent below the value of contracts for July 1958. A sharp decline in nonresidential and public works overshadowed the year-to-year gain of more than 50 per cent in residential construction.

Supplementing the Property Tax In Local Government Finance

By C. WARD MACY
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Local governmental expenditures in the United States have quadrupled within the last quarter-century. An increase of approximately 200 per cent has occurred since 1950. As a consequence of the rapid rise in costs of providing local services, the subdivisions of states, numbering in excess of one hundred thousand, have been compelled to search for new sources of revenue. The property tax, long the major producer of funds for local use, continues to hold its historic position as the most important revenue measure employed by local units, but it is now failing to meet satisfactorily the canon of fiscal adequacy.[1] Supplements to property taxes have been introduced in order to bring additional revenue to local governments.

Subventions and grants-in-aid from states, and to a lesser extent from the Federal government, are playing significant roles today in local finance. School districts are the recipients of substantial state grants, mainly from general funds. Counties and cities share certain revenues raised by states. In addition to these measures which are designed to reduce property tax burdens, general or selective sales taxes, or both, and personal income taxes are levied by some local jurisdictions as means of producing needed revenue. Either directly or indirectly, local units are now obtaining considerable support from sources which have been tapped in earlier years almost exclusively for state and national governmental use. This recent development has caused competition for taxpayers' dollars to increase sharply among all jurisdictions. In the absence of a suitable tax correlation program and an acceptable system of separating revenue sources, governments will continue to collide in their efforts to raise funds.

In 1956, local governmental revenue, exclusive of utility, liquor store, and insurance trust receipts, was $23.1 billion. This sum represented the bulk of the funds available to all local units to meet their general expenditures. Local taxes, licenses, assessments, fines, parking charges, and miscellaneous income sources produced $16.2 billion, or 70 per cent of total receipts. The remaining 30 per cent, $6.9 billion, was in the form of revenue from other governments, most of which was apportioned to local jurisdictions by the states.

Taxes levied by local units in the year under review yielded $13 billion, or 80 per cent of total receipts obtained directly from local sources. Licenses, assessments, parking charges, and miscellaneous producers of revenue accounted for $3.2 billion, the other 20 per cent. Property tax collections were $11.3 billion. This amount was 87 per cent of local tax revenue, 70 per cent of revenue from all local

[1] Local expenditures in the United States were $6.4 billion in 1932; $8.9 billion in 1950; $25 billion in 1956. Local property tax receipts were 65 per cent of local expenditures in 1932; 79.1 per cent in 1950; 45.1 per cent in 1956. For a detailed picture of data on local expenditures and property tax receipts since 1932, see C. W. Macy, "The Changing Pattern of Local Government Revenue in the United States," *Public Finance—Finances Publiques*, Vol. XIV, 1959, pp. 52-54.

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sources, and 49 per cent of total local receipts. It is evident that the property tax is still the major beam supporting the over-all local revenue structure in spite of efforts to lessen the relative importance of property taxation in the fiscal system.

In 1956, local governments collected $1.7 billion from taxes other than levies on property. These collections were 13 per cent of total local tax receipts, 10.6 per cent of revenue obtained from local sources, and 7.3 per cent of all local revenue, including that received from other governments.[2] To date, non-property taxes, such as excises, sales taxes, and personal income taxes, have not been used extensively enough to alter substantially the pattern of local governmental finance. But the employment of these property tax supplements has advanced beyond the innovation stage, which suggests that pronounced changes in local revenue systems may be forthcoming in future years.

The data on local governmental revenues reveal that approximately one-half of the total cost of financing subdivisions of states is borne by property taxpayers at the local level. The remainder of the burden is distributed rather widely among other segments of the revenue-producing public, with a significant portion of the load being carried by those who contribute to state general funds from which grants to local units are made. Thus the major issues pertaining to the revenue side of local governmental finance revolve around (1) locally levied property taxes and (2) those state taxes which yield funds to be allocated to school districts, counties, and cities. The direct use of sales and income taxes by local governments is limited in scope and has little bearing on the total picture.

The property tax is ancient in origin, dating back to antiquity. It has been employed in America since colonial days. Through much of its life, particularly in recent decades, it has been subjected to criticism on both theoretical and pragmatic grounds. Critics contend that this fiscal device fails to meet acceptable standards of convenience and justice; that its effects on the operation of the economy are often repressive; and that its administration is notoriously faulty. Although these claims are exaggerated, they cannot be wholly refuted. The property tax plays a prominent role in the local scene because of its productivity and because it is the only revenue measure to which local taxing jurisdictions have principal access.[3] All signs point in the direction of its continued use on a wide scale even though a definite trend toward increasing reliance on non-property tax revenues for the support of local governments is apparent.

Only to a slight extent can the property tax be defended on the ability-to-pay principle. Possession of property tends to enhance economic well-being of owners, but taxes on many forms of property, e.g., homes and personalty, bear no dependable relationship to tax-paying capacities of those who make the payments. Income producing properties are taxed at proportional, not progressive, rates on assessed values which are seldom determined by capitalizing the income from the properties. Taxes on such properties may be shifted to non-owners, in whole or in part, thereby making it difficult to determine where the final burden rests. Admittedly, the case for the property tax is weak in the light of ability to pay.

On the side of benefits received, it is acknowledged that property owners are beneficiaries of many public services, such as police and fire protection, which are financed mainly by revenue from property taxes. Moreover, expenditures of property tax receipts to provide schools, libraries, and recreational facilities are usually reflected in higher property values. Thus to a limited degree, the benefits-received principle can be employed in defense of local property taxes.

Some property taxes may be shifted; others may not. If the price of a good or service increases or the price of a factor of production decreases as a result of a property tax, the burden of the tax has been shifted in whole or in part. It is only through the operation of the pricing process that tax shifting is possible. Fiscal theorists are in general agreement on the following points relating to shifting and incidence of property taxes:

(1) A levy imposed on land value, or economic rent, tends not to be shifted forward. This tax may be capitalized, however, which would have the effect of reducing the market value of the land.

(2) A tax on a home occupied by the owner cannot be shifted. In this case, the owner is a consumer of a durable good, and the tax which he pays is similar in nature to other levies on consumption. By way of contrast, a tax on a dwelling leased by the owner to a tenant is usually included as a part of the rental payment, and thereby shifted from owner to tenant. The current market for rental housing determines whether the occupier bears all or only a part of the property tax burden.

(3) A tax on income-producing property, such as a factory, an office building, or a warehouse, is a business cost and tends to be shifted by the owner to purchasers of goods or services which are being produced. Prices to consumers are higher than they would be in the absence of the tax. The same conclusion holds for a tax on personal property used in production, e.g., merchandise inventories and machinery. In the short run, market conditions may not permit a complete shifting of taxes on producers' goods, but full-cost pricing, with property taxes included as a cost, will need to prevail over the long period if an enterpriser owning property subject to taxation is to be successful.

On the basis of the above statements relating to shifting and incidence of property taxes, it may be concluded that

[2] The data on local governmental revenues used in this study were obtained from the Bureau of Census. *Summary of Governmental Finances in 1956*, United States Department of Commerce, Aug. 23, 1957, pp. 20-23. Percentages were computed by the writer.

[3] The federal government is prohibited from taxing property by the constitutional provisions (Art. I, secs. 2 and 9) relating to the use of direct taxes. States are gradually withdrawing from the property tax field, and now derive only 3.5 per cent of their total revenues from levies on property.

these levies are inclined to be regressive to income. The burdens of their final monetary payments, which are distributed among owners, tenants, and consumers of goods and services, are not related directly to incomes of the ultimate payers. A recent empirical study supports the contention that property taxes are regressive by revealing that effective rates in 1954 varied from 4.8 per cent on spending unit incomes of $2,000 and less to 3.4 per cent of unit incomes in excess of $10,000.[4] As unit income rises, the effective property tax rate is shown to decline in steady fashion.

It is clear that the property tax is somewhat defective on grounds of theory, but poor administration may cause this fiscal device to look much worse in practice than in the light of theory. Frequently some properties are underassessed in relation to others and delays in placing new taxable properties on assessment roles are not uncommon. Such failures in the area of administration result in discrimination and affect adversely some segments of the economy. Nothing can be done to strengthen the property tax on theoretical grounds, but improvement in its administration is possible. It is encouraging to note that considerable progress along this line has been made in recent years. The State of Oregon is currently recognized as a leader among those states which are striving to eliminate inequities caused by improper administrative procedures. Many of the criticisms voiced against property taxes will likely disappear when property owners become convinced that all are receiving uniform treatment. No single local revenue measure can be expected to meet each requisite of a good source of income to the public treasury. The property tax, which has both strong and weak characteristics, needs help in supplying funds to support local governments, but the selection of supplementary revenue producers should be made in a manner which will not accentuate prevailing inequities.

It is in order to point out that the over-all burden of this revenue measure has not increased as much as its critics contend. The record shows that the per capita property tax has risen in recent years from $45.93 in 1949 to $69.94 in 1956. It shows also that per capita personal income has risen at approximately the same rate over this span of years. Therefore, the per capita property tax as a per cent of per capita personal income has remained almost constant. In 1949, it was 3.3 per cent; in 1956, it was 3.6 per cent.[5] Thus very little change in property tax burdens are revealed by the data relating to a period during which both expenditures and revenues increased in a striking fashion. The property tax has a local flavor, created by an understanding that collections from this tax are used primarily to provide public services for the benefit of local residents. If the degree of dependence on the property tax can be further reduced and if its administration continues to be improved, it is reasonable to believe that this tax, with its demonstrated productive capacity, will be viewed quite favorably as the leading source of local financial support.

The most important supplement to property tax receipts at the local level of government is intergovernmental revenue, which totaled $6.9 billion in 1956. Approximately 96 per cent of this sum, or $6.6 billion, was obtained by local jurisdictions from the states, and the remaining 4 per cent from the Federal government. While the latter is insignificant in amount at the present time, demands for assistance from the national government, especially for local school support, are increasing. If these demands are met, the relative importance of the many sources of revenue for local governments will be altered in future years. At the moment, however, issues which relate to local aid programs sponsored by the states, rather than by the Federal government, command particular interest.

In 1956, school districts received $3.2 billion from the states, or 48 per cent of total allocations made by these governments to their subdivisions. Counties were the recipients of $1.8 billion (27 per cent); cities, $1.3 billion (20 per cent); townships, $260 million (4 per cent); and special districts, $28 million (less than one per cent). These data indicate in a general way how distributions of state funds to local units are being made. They do not reveal, however, the variations which prevail among states in their assistance programs. Neither do they show the different methods employed to raise state revenues which are apportioned to local governments. Attention is directed to recent patterns of local finance in the three Pacific Coast states, as samples of existing programs in operation.[6] The samples selected for review are significant principally because they show marked differences in the state tax systems which produce revenue for grants to local governments.

In Washington, as in most states, the property tax is responsible for the bulk of revenue which local units obtain directly from their own sources, but these governments are dependent upon the state for large amounts of financial aid. Cities and counties share in collections from state gasoline taxes, motor vehicle excises, liquor taxes, and levies on fire insurance premiums. The sums received by cities from these sources vary considerably, ranging from 40 per cent to 70 per cent of the collections from municipal property taxes. Counties share in a less liberal manner. School districts are aided mainly by appropriations from the state general fund. In the 1956-57 fiscal year, 58.2 per cent of local school operating expenditure was met by grants from the state; 22.7 per cent only by district property tax receipts. These data indicate that several state taxes in Washington, including those which contribute to the general fund, are employed to provide revenue for local support.

Local governments in Oregon obtain considerable financial aid from the state, but receipts in the form of grants are smaller percentages of total local revenues in this state than in Washington. Approximately 16 per cent of city revenues and 21 per cent of county revenues are derived from state gasoline tax collections and liquor business profits. Local property taxes account for roughly 49 per cent of city and 42 per cent of county revenues. The state,

[4] See R. A. Musgrave, "The Incidence of the Tax Structure and Its Effects on Consumption," *Federal Tax Policy for Economic Growth and Stability*, Washington Joint Committee on the Economic Report, 1955, p. 98.

[5] More detailed data on total tax collections, per capita property tax, per capita personal income, and per capita property tax as a per cent of per capita personal income for recent years are presented by the writer in "The Property Tax in the Fiscal System," *Proceedings of the Fifty-First Annual Conference of the National Tax Association*, 1958, pp. 63-64.

[6] The data on local finance in the Pacific Coast states as presented here are in the form of a brief summary of the results of a study made by the writer, portions of which have been published elsewhere.

through its aid program, contributes roughly one-third of the sums needed to finance local school districts, with the remaining two-thirds coming from district property taxes. Thus the role of property taxation continues to be particularly important in financing government at the local level in Oregon.

In California, local property taxes produce slightly less than 50 per cent of county revenues and 40 per cent of city revenues. Sales taxes are being widely used now by California cities and counties, thus providing some property tax relief. The state government allocates to cities and counties substantial shares of its receipts from the gasoline tax, motor vehicle licenses, and liquor excises, but local school districts are the chief beneficiaries of the over-all state assistance program. Approximately 47 per cent of total school district revenue comes from the state general fund, with local property tax collections accounting for most of the remainder. Those who pay local property taxes in California are responsible for about one-half of the revenue for the support of the state's subdivisions.

The summary statements on sources of local governmental receipts in the Pacific Coast states reveal that (1) the property tax is still the backbone of local revenue systems; (2) cities and counties gain considerable financial support from the states by sharing in revenues from gasoline taxes, automobile excises, and liquor profits or excises; and (3) school districts are supported liberally by grants from the general funds of the states. Significant questions arise concerning the distribution of the total burdens of financing local governments as non-property taxpayers become involved in carrying portion of the load.

A case can be made on the basis of the benefits-received principle for local sharing of receipts from state gasoline taxes and automobile excises to assist cities and counties in street and road maintenance. The arguments in favor of distributing some of the revenue from liquor excises to local jurisdictions are not equally valid, but no serious problem arises as a result of this common practice. It is in connection with large grants to local governments from state general funds that troublesome issues are confronted.

More than one-half of general fund revenue in Washington is derived from state retail sales and use taxes, with food and several services included in the tax base. Business and occupation gross receipts taxes yield about 17 per cent of the fund's receipts. The emphasis in this state is clearly on revenue measures falling in the category of consumption taxes. It is apparent, therefore, that local governmental units which receive aid from the state general fund of Washington are being financed by highly regressive taxes.

In Oregon, the major sources of general fund revenue are a moderately progressive personal income tax, which accounts for almost 60 per cent of the fund's receipts, and the corporation income tax, which produces an additional 15 per cent of the total. The prominence of these sources of revenue means that Oregon state taxes, which yield funds to be used in part by local governments, are based principally on net earnings rather than on spending for consumption. Therefore, the over-all local revenue structure of Oregon is much less regressive than that of Washington.

General fund revenues in California are derived from several sources, including both sales and net income taxes, with slightly less than 60 per cent coming from sales and use taxes, 13 per cent from the personal income tax, and 16 per cent from corporation franchise and income levies. Food sold at retail stores is excluded from the sales tax base. Taxes which produce general fund revenue in California, when considered together, tend to be mildly progressive. To the extent that the state's subdivisions, mainly school districts, are supported by revenue from the state general fund, the regressivity of the local revenue system which results from the property tax is somewhat reduced.

There is no denying that most of the sources of local revenue have a tendency to be regressive to income. The property tax, as the main prop supporting local units, possesses many characteristics of regressivity. In addition, intergovernmental revenues to local units from states are frequently obtained from taxes which are regressive, and these property tax supplements are steadily growing in relative importance. This trend is almost certain to continue because of weaknesses of the local property tax which place definite limitations on the use of this fiscal measure as a means of caring for expanding local services and the rapidly rising costs of supplying them. The conditions which once permitted local units to finance themselves almost entirely by revenues derived directly from their own sources have changed in a drastic fashion. The significant alteration in the situation is universally recognized with the result that state legislatures are besieged by requests for additional appropriations for local financial assistance. A major policy decision confronting those responsible for raising state revenues to be allocated to local governments concerns the choice of sources. The selection should be made in a manner which will result in a maximum degree of equity in the distribution of the burdens of financing local units.

This review of local governmental patterns in the three Pacific Coast states suggests that the Oregon plan has more to commend its use than those employed by Washington and California. It is unfortunate that local revenue systems have a strong tendency to be regressive. If a state, in its efforts to take care of pressing revenue needs of its subdivisions, raises most of the revenue for this purpose by general or selective sales taxes, regressivity is accentuated. In contrast, if state funds are derived in large part from moderately progressive net income taxes, regressivity of over-all local revenues, including intergovernmental receipts, is reduced somewhat. In Washington, the burden of local financing falls heavily upon those of modest means. In California, the load is somewhat more equitably distributed than in Washington, but the recently expanded use of local sales taxes, even with food exempt, is a movement toward greater regressivity. In Oregon, the prominent place of income taxation in the state revenue structure indirectly serves to introduce the principle of ability to pay into the local revenue picture. It is reasonable to predict that patterns of local finance will continue to change. General welfare will be enhanced only if highly regressive revenue sources, as supplements to local property taxes, are avoided.

Advertising Linage. Local retail advertising linage in nineteen daily newspapers in Oregon was 7 per cent higher in August 1959 than in August 1958.

Oregon Employment and Income Changes Since 1958

By WESLEY C. BALLAINE

Director, Bureau of Business Research, University of Oregon

With employment in Oregon at an all time high, a review of changes in the number of jobs and in workers' incomes the past year and a half is of interest.

The total number of wage and salary workers in 1958 exceeded the number in 1957 for the first time in October. Since then the excess over the same month in the previous year has risen steadily to a high of 22,900 in August, the most recent month for which figures are available.[1] This is shown in the table below:

EMPLOYMENT CHANGES FROM SAME MONTH A YEAR AGO

	1958	*1959*		*1958*	*1959*
Jan.	−11,400	+14,900	July	− 8,300	+18,900
Feb.	−12,800	+15,900	Aug.	− 7,300	+22,900
Mar.	−34,500	+19,200	Sept.	− 2,700	---
Apr.	−16,900	+21,500	Oct.	+ 5,600	---
May	−17,400	+20,700	Nov.	+ 7,800	---
June	−10,800	+16,500	Dec.	+10,100	---

Unemployment declined about in the same proportion that employment rose. The simplest way to show what happened is in terms of the percentage of the labor force that is not working:

PER CENT OF UNEMPLOYMENT

	1958	*1959*		*1958*	*1959*
Jan.	11.6	9.1	July	6.2	3.8
Feb.	11.3	9.1	Aug.	5.7	3.3
Mar.	10.6	7.4	Sept.	5.1	--
Apr.	8.7	5.6	Oct.	4.8	--
May	7.5	4.4	Nov.	6.0	--
June	6.7	4.3	Dec.	7.1	--

The 11.6 per cent in January 1958 amounted to 77,700 workers. The 3.3 per cent for August 1959 accounted for 24,300 workers. As a matter of fact, it is somewhat unlikely that unemployment can drop much below 3.0 per cent because of the seasonal characteristics of certain jobs, involuntary closing of some businesses, job shifting by workers, etc. The market for workers in the summer of 1959 was fairly "tight."

Along with the growing number of workers the average earnings have risen substantially. In January 1958 the average weekly earnings of production workers was $90.06. In June 1958 this had risen to $91.19 and by June 1959 to $96.36. This latter figure was a decline from $98.30 in May. This decrease was caused by lower earnings in canning and preserving, plywood and veneer, and fabricated metal. The highest weekly earnings in June of this year were for contract and construction workers ($121.29 per week) and lowest for canning and preserving workers. The contract and construction workers averaged $110.97 a week in January 1958 and $116.28 in June 1958. Lumber and sawmill workers received $92.38 in January 1958, $98.73 in June 1958 and $104.96 in June 1959.

Incomes of production workers in Oregon have risen more rapidly than the cost of living, which has gone up very slightly, so that, on balance, the individual who is working has somewhat improved his ability to buy goods and services.

[1] Figures are from State Department of Employment in Salem, Oregon.

THE UNIVERSITY AND THE BUSINESS COMMUNITY

- Dean R. W. Lindholm attended a Research Colloquium for Business School Deans at Dartmouth College, August 31 to September 4. This was sponsored by the Ford Foundation for the deans of business schools actively engaged in research.
- Dr. Ralph D. Wilson, of the School of Hotel, Restaurant and Institutional Management at Michigan State University, visited the School of Business Administration during the week of September 14 to consult with the staff.
- Dean Lindholm will attend an Institute for Asian Studies to be held at Marquette University in Milwaukee, Wisconsin, on September 25, 26, and 27. The conference will consider the experience and prospects for land tenure, industrialization and social stability in Asia. Dean Lindholm will present a paper entitled, "Land Reform and Development in Viet-Nam."

OREGON STATISTICAL REVIEW

Multnomah County Real Estate Transactions. During August 1959 there were 811 real estate sales amounting to $10,414,575 in Multnomah County. Of these, 589 involved residences, the sales price of which was $7,126,418; 164 were vacant properties, $682,183; and 58 were business properties, $2,605,974. Additional figures are:

	Aug. 1959	*July 1959*	*Aug. 1958*
Number of sales	811	1,152	780
Value of sales	$10,414,575	$13,591,934	$12,698,237
Number of mortgages	935	951	817
Amount loaned	$10,847,962	$12,343,169	$12,987,211
Number of sheriff's deeds	3	10	3
Amount of sheriff's deeds	$13,284	$54,156	$11,004
Average residential selling price	$12,099	$11,572	$11,352

Department Store Sales. Figures on department store sales are compiled by the Federal Reserve Bank of San Francisco for Portland, Eugene, and Salem. The data are released for Portland on a weekly basis, and monthly for all three cities.

The most recent Portland data are for the week ending September 5, 1959, when sales were 25 per cent above the corresponding week in 1958.

The percentage change for the three cities for the month of July 1959 and the year beginning January 1, 1959 to July 31, 1959, compared to the same periods a year earlier are:

	July 1959	*Jan. 1, 1959 to July 31, 1959*
Portland	+14	+12
Eugene	+42	+28
Salem	+22	+17
Oregon	+18	+13

Life Insurance Sales. During July 1959, sales of ordinary life insurance in Oregon (excluding industrial life insurance, group and wholesale sales under new contract, renewals, dividend additions, etc.) were 3 per cent ($1,347,000) lower than in June 1959 and 9 per cent higher than in July 1958. The national figures showed a 4 per cent drop in comparison with June 1959 and a 4 per cent gain in comparison with July 1958.

Business Failures. Dun and Bradstreet's series showing commercial failures is frequently considered an indicator of business health. Figures for Oregon are given below:

	1958		*1959*	
	Number	*Liabilities*	*Number*	*Liabilities*
Jan.	46	$1,110,000	25	$ 515,000
Feb.	52	1,550,000	38	909,000
Mar.	46	818,000	54	1,161,000
Apr.	41	698,000	29	497,000
May	52	1,334,000	42	632,000
June	32	840,000	25	765,000
July	46	929,000	52	953,000
Aug.	51	1,100,000	56	1,015,000
Sept.	26	423,000	---	---
Oct.	56	939,000	---	---
Nov.	37	951,000	---	---
Dec.	47	616,000	---	---

OREGON STATISTICAL REVIEW

Employment. Figures on employment are supplied monthly by the Oregon State Unemployment Compensation Commission in Salem. The latest figures follow:

	Aug. 1959	*July 1959*	*Aug. 1958*
Lumber & wood products	79,100	79,000	75,800
Food & kindred products	29,300	24,400	28,800
Other manufacturing	51,500	51,400	46,800
Total manufacturing	159,900	154,800	151,400
Contract construction	30,300	28,200	25,600
Retail trade	80,500	79,400	77,300
Government	88,300	87,700	86,400
Other nonmanufacturing	156,300	155,700	151,700
Total nonmanufacturing	355,400	351,000	341,000
Total nonagricultural employment	515,300	505,800	492,400

Construction. The Bureau of Business Research, in cooperation with the F. W. Dodge Corporation, reports July 1959 construction contracts in Oregon amounting to $37,794,000, 7 per cent below July 1958. Comparative data, in thousands of dollars, follow:

	July 1959	*June 1959*	*July 1958*
Nonresidential	$ 6,369	$ 7,887	$14,383
Residential	21,380	18,594	14,133
Public works and utilities	10,045	32,564	12,135
Totals	$37,794	$59,045	$40,651

The nonresidential construction involved 609,000 square feet in July 1959 and 1,012,00 square feet in July 1958. The 1,500 residential units for which contracts were made in July 1959 involved 1,970,000 square feet; in July 1958 the data showed 1,368,000 square feet for 1,086 units. Seven-month totals for 1959 reveal that the value of building contracts in Oregon, excluding public works and utilities, was 10 per cent lower than in 1958. For the 11 western states, again excluding public works and utilities, the cumulative seven-month total for 1959 was 18 per cent higher than the 1958 total; for the United States, the 1959 total was 19 per cent above 1958.

Index of Man Hours in Manufacturing. One of the best indicators showing changes in manufacturing activity is the man hours of industrial production workers. These figures apply only to personnel engaged in direct manufacturing activities; sales, office, and general administrative employees are excluded. The index is derived by the Bureau of Business Research from data supplied by the Oregon Unemployment Compensation Commission. The most recent reading covers the month of August 1959. (No adjustment for seasonal variation has been made. 1951 = 100.)

	1958	*1959*		*1958*	*1959*
Jan.	72.1	79.1	July	87.9	100.2
Feb.	72.2	79.3	Aug.	97.3	106.8
Mar.	72.2	83.3	Sept.	95.6	—
Apr.	75.2	87.2	Oct.	92.4	—
May	81.0	90.3	Nov.	84.6	—
June	90.0	98.6	Dec.	82.9	—

Lumber. The figures below cover the Douglas fir area of the Pacific Northwest. They were supplied by the West Coast Lumbermen's Association and are in thousands of feet, board measure.

	Aug. 1959	*July 1959*	*Aug. 1958*
Average weekly production	158,691	145,804	158,819
Average weekly orders	159,718	168,371	175,696
Unfilled orders, end of month	633,124	568,084	726,961
Lumber inventory, end of month	786,403	815,675	888,725

BANK DEBITS

Bank debits represent the dollar value of checks drawn against the deposit accounts of individuals and business firms. Bank debits are regarded as good indicators of current business activity, although their value for this purpose may be impaired by the inclusion of large checks arising out of transfers of funds for the purchase of certain types of capital assets that do not constitute "business activity." The Bureau of Business Research collects bank debits from 185 banks and branches monthly.

	Number of Banks Reporting	*Debits Aug. 1959*	*Debits July 1959*	*Debits Aug. 1958*	*Aug. 1959 Compared with July 1959*	*Aug. 1959 Compared with Aug. 1958*
Oregon	185	$2,065,346,445	$2,095,376,760	$1,803,137,303	— 1.4	+14.5
Portland area (Multnomah, Washington, Clackamas, Columbia counties)	58	1,278,378,566	1,329,033,426	1,104,634,303	— 3.8	+15.7
Mid-Willamette Valley (Polk, Benton, Linn, Marion, Yamhill counties)	40	257,311,659	236,333,248	232,422,240	+ 8.8	+10.7
North Oregon Coast (Tillamook, Clatsop, Lincoln counties)	10	39,641,391	38,957,363	37,159,729	+ 1.8	+ 6.7
West Central Oregon (Douglas, Coos, Lane counties)	22	196,451,128	203,747,663	162,292,674	— 3.6	+21.0
Southwestern Oregon (Curry, Jackson, Josephine counties)	13	98,165,786	95,776,637	84,016,730	+ 2.5	+16.8
Upper Columbia River (Sherman, Hood River, Wasco, Gilliam, Wheeler counties)	9	29,909,184	30,217,334	31,307,147	— 1.0	— 4.5
Pendleton area (Umatilla, Morrow counties)	8	42,842,409	39,174,341	38,220,419	+ 9.4	+12.1
Central Oregon (Deschutes, Crook, Jefferson counties)	5	30,519,931	30,971,249	28,121,937	— 1.5	+ 8.5
Klamath Falls area (Klamath, Lake counties)	6	39,683,407	40,268,995	37,921,357	— 1.5	+ 4.6
Baker, La Grande area (Baker, Grant, Wallowa, Union counties)	9	29,942,358	28,722,926	26,799,904	+ 4.2	+11.7
Burns area (Harney, Malheur counties)	5	22,500,536	22,173,578	20,240,612	+ 1.5	+11.2

BUILDING PERMITS

Building permits give an indication of building operations planned rather than actual construction under way. Care must be taken in interpreting these data, to allow for the lag which may elapse between the issuance of the permit and the beginning of actual construction. The data have been collected by the Bureau of Business Research.

	New Residential Aug. 1959	*New Non-residential Aug. 1959*	*Additions, Alterations & Repairs Aug. 1959*	*Totals Aug. 1959*	*Totals July 1959*	*Totals Aug. 1958*
Albany	$ 130,000	$ 42,450	$ 36,586	$ 209,036	$ 345,318	$ 184,700
Baker	92,000	5,500	43,500	141,000	374,200	30,000
Beaverton	105,930	2,600	9,260	117,790	454,783	186,281
Bend	49,000	18,350	21,682	89,032	83,918	81,365
Coos Bay	12,000	15,000	8,935	35,935	104,474	192,590
Corvallis	263,000	1,400	35,620	300,020	1,268,548	537,595
Eugene	517,980	66,780	61,592	646,352	648,515	808,949
Grants Pass	95,200	48,125	3,160	146,485	116,700	189,630
Hillsboro	173,950	603,500	16,334	793,784	434,196	68,674
Klamath Falls	67,900	23,200	49,400	140,500	429,200	86,615
La Grande	115,420	1,590	1,056	118,066	27,660	6,930
McMinnville	82,000	.....	29,483	111,483	280,828	50,075
Medford	180,500	148,035	.....	328,535	5,258,094	175,820
Milwaukie	142,900	250,000	5,481	398,381	676,270	199,990
North Bend	150,152	10,276	19,200	179,628	98,669	82,069
Pendleton	47,500	13,400	12,900	73,800	69,630	91,370
Portland	1,748,300	1,351,285	1,245,860	4,345,445	4,707,510	6,751,235
Roseburg	11,000	140,597	698,803	850,400	102,660	58,425
Salem	352,400	3,149,690	220,694	3,722,784	635,879	392,730
Springfield	32,468	3,704	38,542	74,714	97,723	176,655
The Dalles	28,000	19,200	11,400	58,600	59,300	65,362
Clackamas County	379,550	41,795	22,101	443,626	871,268	596,049
Douglas County	31,942	7,100	576	39,618	106,125	72,198
Lane County	1,086,931	426,877	151,422	1,665,230	1,214,565	1,117,183
Marion County	712,968	24,370	.....	737,338	548,374	1,006,391
Multnomah County	1,601,405	524,112	153,856	2,379,373	3,183,771	2,616,277
113 other communities	1,224,569	1,001,475	561,693	2,787,737	2,205,042	2,503,635
Total	$9,434,965	$8,040,591	$3,459,136	$20,934,692	$24,403,220	$18,328,793